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SUBJECT: UKRAINE: ANOTHER RADA SESSION ENDS WITHOUT A

COALITION

REF: A. KIEV 2359

¶B. KIEV 2329

Classified By: Ambassador for reasons 1.4 (b) and (d).

Summary

11. (C) The Rada (parliament) held two short sessions June 20 but adjourned until June 21 without forming a majority coalition. Before the morning session, Our Ukraine (OU) MP Roman Zvayrch claimed to us that talks with OU's Orange partners were deadlocked over Yuliya Tymoshenko's refusal to accept checks on her power as prime minister and on the Socialist Party's (SPU) opposition to a NATO Membership Action Plan (MAP) for Ukraine. In contrast, Zvarych said, OU's talks with the Party of Regions were going smoothly, adding that Regions had agreed to support a MAP as early as September. Speaking from the rostrum at the morning session, OU's point man in the coalition talks, Roman Bezsmertny, called for the creation of a "stable coalition" and for all MPs to "find common ground." Tymoshenko used her turn at the microphone to assert that OU's leadership simply did not want to form an Orange coalition. Separately, a BYuT MP told us that the FM Tarasyuk-led Rukh faction of OU had voted on June 19, despite the opposition of its leader, to abandon OU if it entered into a coalition with Regions. Senior Regions MP Mykola Azarov denounced Tymoshenko as a "demagogue" and emphasized that the question of NATO membership could only be decided by the people of Ukraine through a referendum. Azarov warned that if a coalition were not formed by June 21, Regions reserved the right to seek a vote on a new Rada Speaker. Following the brief afternoon session, Zvarych told reporters and diplomats at the Rada that OU's talks with its potential partners were continuing. A longtime BYuT MP said that the bloc would be urging President Yushchenko to meet with OU MPs on June 20, discuss coalition options, and make a decision. Regions MP Leonid Kozhara asserted that Regions was ready for anything: a coalition with OU, going into hard opposition, or even new elections. End summary.

No Coalition Announced

12. (U) The Rada held short morning and afternoon sessions June 20, and adjourned until 10:00 a.m. local time on June 121. There was no announcement about the formation of a coalition government.

Morning Session: The Our Ukraine View...

13. (C) Our Ukraine (OU) MP Roman Zvarych told us privately before the morning session that OU's talks with its Orange partners were again deadlocked. According to Zvarych, the two main sticking points were Tymoshenko's refusal to accept

checks and balances on her power as prime minister, and what Zvarych said was the Socialist Party's (SPU) refusal to agree to a NATO Membership Action Plan (MAP) for Ukraine. The Socialists, he complained, said one thing to the press and another thing at the negotiating table. In contrast, he related, "consultations" with Regions were moving relatively smoothly, including on NATO membership. Zvarych asserted that Regions had agreed to support a MAP for Ukraine "as early as September," while the Socialists, he reiterated, flat-out opposed a MAP. (Note: SPU leader Moroz told reporters and diplomats on June 20 that he did not oppose NATO membership, but insisted that membership be determined by a nationwide referendum.)

14. (U) Once the session started, the SPU member/acting chairman of the Rada's provisional presidium, Ivan Bokiy, offered each faction an opportunity to speak. Roman Bezsmertny took to the rostrum for OU, calling for the creation of a stable coalition capable of implementing a reform program; looking in the direction of the Bloc Tymoshenko (BYuT) contingent, he pleaded for MPs to "find common ground" and work for the interests of Ukraine -- and not simply themselves.

...Tymoshenko Blasts OU...

15. (SBU) Yuliya Tymoshenko used her turn at the microphone to attack OU, whose leaders, she snapped, did not want an Orange coalition. Whenever progress was made during the troika talks, OU would immediately throw up new roadblocks to a coalition deal; BYuT and the SP could agree, a priori, to every precondition stipulated by OU, and OU's leaders would still refuse to seal a coalition deal. She warned OU that oblast and municipal councils in western Ukraine favored an

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Orange coalition and could not be expected to support "an unnatural" alliance between OU and Regions. Separately, BYuT MP and Tymoshenko foreign policy guru Hryhoriy Nemyrya told us privately that the Rukh faction of OU (7 MPs) voted on the evening of June 19 to abandon OU if the party formed an Orange-Blue coalition. This occurred despite what Nemyrya called the "unprincipled" effort of Rukh's leader, Foreign Minister Borys Tarasyuk, to convince his colleagues to stay with OU no matter what kind of coalition emerged.

\dots And Regions Calls Yuliya a "Demagogue"

16. (U) Tymoshenko ended her remarks by "calling out" Regions on NATO. Wagging her finger at the Regions contingent, who whistled and catcalled back at her, Tymoshenko said "she knew" that Regions had agreed with OU to accept NATO membership for Ukraine. As Tymoshenko headed back to her seat, Regions MP Mykola Azarov moved quickly to the podium to denounce Tymoshenko as a "demagogue" who was "misinforming" the Rada. Speaking in Russian, Azarov emphasized, to the cheers of his Regions colleagues, that it was the position of the Party of Regions that the question of NATO membership could only be decided by the people of Ukraine through a referendum. Azarov then issued a threat, warning that if a coalition was not formed by June 21, Regions reserved the right to choose a new Rada Speaker -- a move that "the people will support" because they were tired of "never-ending talks." (Note: Regions leader Viktor Yanukovych told the press on the afternoon of June 20 that Regions "had the votes" to elect a new Rada Speaker on June 21.)

Afternoon Session: OU Says Talks Continue...

17. (U) Following the brief afternoon session, which approved an adjournment until the morning of June 21, Zvarych told a group of reporters and diplomats that OU was continuing its talks with both sides, and stressed again that the Team

Orange discussions were stuck on Tymoshenko's reluctance to accept checks on her power as prime minister. In particular, Zvarych said, OU was insisting that the Minister of Internal Affairs, the head of the Security Service of Ukraine, and the Prosecutor General should all be professional bureaucrats; these "power" positions should not be divided up among the Orange parties and then used to attack political enemies.

...BYuT Says Yushchenko Needs to Focus...

18. (SBU) Echoing what we have heard repeatedly at the Rada during the past few days (reftels), BYuT MP Hryhoriy Omelchenko, a longtime Tymoshenko partisan but not a member of the bloc's inner circle, stressed to us that the key was Yushchenko. BYuT, he said, was urging Yushchenko to gather all of OU's MPs, have an open discussion about forming a coalition, and then make a decision.

...And Regions Claims Yushchenko Is in Ashgabat

19. (SBU) Omelchenko's view was separately seconded by Regions MP and foreign affairs advisor Leonid Kozhara, who told us Yushchenko had to "get serious" and make a decision, and needed to be fully focused on domestic affairs. Asked to explain, Kozhara claimed that Yushchenko had been virtually summoned to Ashgabat on the afternoon of June 20 for face-to-face gas negotiations with President Niyazov. Kozhara asserted that Yushchenko was expected back in Kiev late on the evening of June 20. (Note: Presidential Protocol denied to us that Yushchenko was out of the country, and news reports had Yushchenko meeting with Tymoshenko at $\hat{\mathbf{5}}$ p.m. There were also media reports that Yushchenko spoke by telephone with Niyazov today.) Kozhara confirmed that OU was still negotiating with Regions, and emphasized that Regions was "ready for anything": a coalition with OU, going into opposition, or even new elections. Kozhara warned that if Regions were in the opposition, it would be aggressive, deadlocking the Rada when possible and generally hindering the work of an Orange government. He added that, in his many years of government service, he had never seen a Ukrainian government so "disorganized and dysfunctional."

110. (U) Visit Embassy Kiev's classified website: www.state.sgov.gov/p/eur/kiev.
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